

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## This Week in Canadian Agriculture - Issue 11

### **Report Categories:**

Agriculture in the News

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### **Report Highlights:**

Manitoba Rolls Out Flood Compensation Package \* More Livestock Support Programs Announced by Manitoba \* Brew Pubs, Grocery Store Sales and BYOB: Manitoba Introduces Proposal to Modernize Liquor Laws \* Canadian Food Manufacturers Encouraged to Alert Customers to Potential Small Amounts of Wheat Resulting From Standard Grain Handling Processes \* Livestock Receipts Show Sizeable Growth while Overall Farm Cash Receipts Dip Slightly in 2010 \* Quick Quiz: Do You Know the Top Five U.S. Fresh Vegetable Exports to Canada?

This Week in Canadian Agriculture is a review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press article summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

### **Manitoba Rolls Out Flood Compensation Package**

Following one of the worst flooding seasons in Manitoba, covering extended areas along the Assiniboine River and around Lake Manitoba, the provincial government announced on May 24 a C\$175 million for compensation and future flood protection measures. According to the media, of that amount, approximately C\$70 million will be spent on compensation while the rest will go towards building flood prevention measures, including C\$20 million to improve protection in Brandon (home of the largest hog slaughter facility in Canada) and another C\$20 million to boost dikes along the Assiniboine River. Residents affected by the deliberate breach of a dike at the Hoop and Holler Bend will receive 100 percent compensation for damages and for money they spent in the effort to protect themselves against flooding. Of specific interest to farmers are ranchers are these components of the package: Lake Manitoba Pasture Flooding Assistance Program and Lake Manitoba Pasture and Infrastructure Component. Manitoba premier Greg Selinger indicated that details of the Action Plan are shared with the federal government for review and consideration of possible federal participation.

For more information please follow this link:

<http://news.gov.mb.ca/news/index.html?archive=2011-05-01&item=11564>

### **More Livestock Support Programs Announced by Manitoba**

Also on May 24 the government of Manitoba announced two other support programs for farmers and ranchers: the Special Livestock Mortality Program and a New Program for the Shoal Lakes Area. The first of the two is for producers whose herds took death losses in the April 29-30 blizzard and rainstorm that hit several regions of the province. About 2,000 animals are estimated to have died. Assistance will be based on the number of head lost at market value, with purebred livestock compensated at a rate 1.5 times higher than commercial production. Eligible animals include beef cattle, dairy cattle, bison, elk, sheep, goats, llamas and horses used for the production of meat or pregnant mare urine. The second program offers flood-related compensation assistance for producers who lost income of hay and pasture land in 2010 and 2011, and for transportation costs related to moving animals and feed threatened by flood waters. An additional element is a voluntary buy-out program with transitional assistance for an additional year for producers affected by high-water levels.

### **Brew Pubs, Grocery Store Sales and BYOB: Manitoba Introduces Proposal to Modernize Liquor Laws**

The Liquor Control Amendment Act (Bill 41), was introduced into the Manitoba legislative assembly on May 19, 2011. The bill seeks to modernize the Act by making some key changes which include (1) allowing for the establishment of brew pubs (pubs which produce beer on site and serve/sell it to the public), (2) allowing for the establishment of boutique liquor stores in grocery stores and other locations, and (3) allowing customers to bring their own commercially produced wines to restaurants. Currently, beer, wine and liquor may only be sold by government –owned Liquor Marts, although there are a limited number of private wine retailers in Manitoba. The proposed initiatives have worked well in other provinces and the bill seems to have general support. Concerns center on increased security issues that may result for supermarkets with boutique liquor stores. A complete copy of the bill, is available at the following URL address: <http://web2.gov.mb.ca/bills/39-5/b041e.php>

### **Canadian Food Manufacturers Encouraged to Alert Customers to Potential Small Amounts of Wheat Resulting From Standard Grain Handling Processes**

Canada is continuing its efforts to sensitize the Canadian food manufacturing industry to the type of information that those suffering from severe wheat allergies require. The Canadian Food Inspection Agency (CFIA) has issued a notice to Canadian manufacturers and importers of cereal grain-based products "encouraging" them to inform their customers that products containing cereals grains may contain low levels of wheat. This notice to industry is to complement Health Canada's efforts to assist consumers with wheat allergies in making informed food choices. The potential of low level presence of wheat in other grains is a result of the normal grain handling practices and not a cross-contamination incident. The CFIA notice suggests some measures through which industry can inform consumers and they include web site advisories, information for toll-free information lines, and over-stickering on existing packaging. The CFIA notice also asks manufacturers and importers of grain-based products to consider transitioning to precautionary labeling on their products to alert consumers to the potential presence of wheat. The notice can be viewed at the following URL address: <http://www.inspection.gc.ca/english/fssa/labeti/allerg/20110520inde.shtml>

### **Livestock Receipts Show Sizeable Growth while Overall Farm Cash Receipts Dip Slightly in 2010**

According to Statistics Canada farm cash receipts, which include crop and livestock revenues plus program payments, fell 0.2 percent to C\$44.4 billion in 2010, the second consecutive annual decline after a 3 percent drop in 2009. Market receipts, which include only revenue from the sale of crops and livestock, increased 0.1 percent to C\$41.3 billion. Crop receipts fell 3.3 percent to C\$22.4 billion. The weighted average price for most grains and oilseeds was lower in 2010 than in 2009 despite price increases in the latter half of 2010. Livestock receipts increased 4.5 percent to C\$18.9 billion in the wake of higher hog and cattle prices. Receipts from supply-managed commodities (dairy, poultry and eggs) slipped 0.1 percent as a 3.8 percent drop in poultry more than offset increases in egg (+1.1 percent) and dairy receipts (+1.4 percent). Finally, despite higher crop insurance payments in Western Canada, program payments fell 4.7 percent to C\$3.1 billion. In 2010, eight provinces posted decreases, with reduced provincial program payments in Quebec significantly contributing to the overall decline. For more information please follow this link:

<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=21-011-XIE&lang=eng#formatdisp>

### **Quick Quiz: Do You Know the Top Five U.S. Fresh Vegetable Exports to Canada?**

If you answered lettuce, cauliflower & broccoli, onions, carrots and tomatoes, you are correct! A new

report shows that U.S. fresh vegetable exports to Canada have reached a record high in 2010 after suffering a decline during the 2009 recession. Imports increased 4 percent from 2009 levels and represented \$1.36 billion in trade in 2010. The United States has steadily increased sales of fresh vegetables to Canada. Exports have jumped 29 percent during the period 2005-2010, from \$1.06 billion to \$1.36 billion. Factors behind such increase include sustained consumption of fresh vegetables, a strong Canadian dollar and higher prices. More on U.S. fresh vegetable exports can be found in FAS Canada's report, *Top Ten U.S. Fresh Vegetable Exports to Canada*, GAIN Report number CA11032, which is accessible from the following URL address: <http://gain.fas.usda.gov>. From this site you can perform a search by title or report number.

**Exchange Rate:** Noon rate, May 26, 2011 (Bank of Canada): U.S. Dollar = C\$0.9809

**Most Recent Reports from FAS/Ottawa:**

Report #	Name of Report	Date Submitted
CA11032	Top Ten U.S. Fresh Vegetable Exports to Canada	05/27/2011
CA11031	This Week in Canadian Agriculture – Issue 11	05/27/2011
CA11030	This Week in Canadian Agriculture – Issue 10	05/20/2011
CA11029	Top Ten U.S. Fresh Fruit Exports to Canada	05/19/2011
CA11027	This Week in Canadian Agriculture – Issue 9	05/06/2011
CA11025	Agent and Broker Directory – Central Canada	05/03/2011
CA11024	This Week in Canadian Agriculture – Issue 8	04/29/2011
CA11023	2011 Canadian March Planting Intentions	04/29/2011
CA11022	U.S. Wine Exports to Canada Show Explosive Growth	04/21/2011
CA11019	Dairy Trade Flows Between the United States and Canada	04/18/2011